of all other attempts for the rehabilita-tioa of the units, recourse is also taken to legal action by enforcing the security for the collection of dues.

World Bank suggestions 00 bank advancer to primary sector

*412. SHRI KAMAL MORARKA; Will the Minister of FINANCE be pleas-ed to state;

(a) whether it- is a fact that Govern ment have given assurance to the World Bank in the course of recent discussions to the effect that the interest rates on priority sector advances would be raised;

(b.) if so, what are the details thereof;

(c) whether it is also a fact that the World Bank had also suggested that the quantum of bank loans under the priority sector programme should be cut;

(d) if so, what 1s Government's reaction thereto; and

(e) what are the details of other suggestions made by the World Bank alongwith Government's reaction thereon?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) No, Sir.

(b) Does not arise.

(c) A World Bank report dated 20th June, 1990. on the Financial Sector of India had analysed the performance of the Indian, banking system. The recont-mend pons of the report include inter-alia reduction in priority sector directed lending.

(d). The. Government is engaged In widerapging financial sector reform based on the recommendations of the Nara simham Committee. The government has not reacted to the World Banks, re port-,

(e) These relate to measures for improving the efficiency and health of the banking system which include greater availability of credit for the commercial sector, reform of the capital market, ie-capitalisation of banks and financial Ins titutions and progressive adoption of norms on capital adequacy requirements. All these issues have been under considerations in the Government in any case and are being examined in the light of the recommendations of the Narasimham. Committee Report.

Financial growth due to liberalisation

*413. SHRI VITHALRAO MADHAV-RAO JADHAV; SHRI RADHAKISHAN MALAVIYA;

Will the Minister of FINANCE be pleased to state;

(a) what is the net gain in financial growth of the country due to the policy of liberalisation adopted by Government during the last one year;

(b) what is the number, of multing tionals that came to India., with, rare items;

(c) what would be the earnings of foreign exchange due to such activities of multinationals; and

(d) what is the extent to which the:, country has benefited from such a policy?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RA-MESHWAR THAKUR): (a) The objective of the policies of stabilization and structural reforms introduced by the Government since July 1991 was, in the first instance, to deal with the serious crisis facing the economy at that time reflected in the high rate of inflation, and the near default on foreign payments and the second instance, to create conditions under which such crises would not arise and rapid sustainable growth of emp-Joyment and production could be genera-ted. Financial reforms constitute an im.-:. portant element of structural reform , However, at this early, stage, it is not possible .to. assess their impact.

(b) It is not possible to collect information, on what rare items have been, imported or produced by the multina-tionals.
However, the total number of approvals for foreign collaboration give